

Minutes of the Finance Committee

Wednesday, April 22, 2009

Chair Haukohl called the meeting to order at 8:32 a.m.

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, Jim Heinrich, Jean Tortomasi, and Steve Wimmer. Rob Hutton arrived at 8:35 a.m. and left the meeting at 10:55 a.m.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Dave Krahn, Legislative Policy Advisor Ann Olson, Emergency Preparedness Director Rich Tuma, Senior Financial Analyst Bill Duckwitz, Parks System Manager Duane Grimm, Parks & Land Use Director Dale Shaver, Solid Waste Supervisor Karen Fiedler, Business Manager Peter Mudek, Budget Specialist Linda Witkowski, Public Works Interim Director Allison Bussler, Architectural Services Manager Dennis Cerreta, Architectural Engineering Technician Mike Wells, Senior Civil Engineer Karen Braun, Federated Library Director Tom Hennen, Librarian Nancy Fletcher, Accounting Services Manager Larry Dahl, Internal Audit Manager Lori Schubert, Collections & Business Services Manager Sean Sander, Administration Director Norm Cummings, Treasurer Pam Reeves, Deputy Treasurer Theresa Schultz, Business Services Administrator Donn Hoffmann, Senior Financial Analyst Lyndsay Johnson, Corporation Counsel Tom Farley, and Child Support Managing Attorney Linda Saafir. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 4-1-09

MOTION: Tortomasi moved, second by Zaborowski to approve the minutes of April 1. Motion carried 6-0.

Schedule Next Meeting Dates

Haukohl said the next Finance Committee meeting is scheduled for May 6. Wimmer and Tortomasi advised they would not be able to attend that meeting.

Hutton arrived at 8:35 a.m.

Announcements

Krahn and Tuma were present to advise that, after a tumultuous debate last night, the State's Joint Finance Committee approved the 911 bill. The bill passed 9-6 with the four republicans voting no. This is good news for the County, partly because it will relieve property tax bills. It will now go before the senate and the assembly where it could be amended. However, any proposed changes will be closely monitored and lobbied against if necessary. It is anticipated the Governor will sign the bill.

Haukohl advised the Finance Committee will move to accept or reject reports, as written in the County Code, which come before this committee in the future.

State Legislative Update

Krahn said they will be working on the big four human services issues and trying to get more funding.

Meeting Approvals

MOTION: Tortomasi moved, second by Wimmer to approve mileage for any committee members wanting to attend “Creating Communities: Affordable Housing Now and When” on April 22 at St. Luke’s Lutheran Church in Waukesha. Motion carried 7-0.

Ordinance 164-O-003: Approve Land Use Permit To Wisconsin Electric Power Company For Installation, Operation, And Maintenance Of Underground Electric Power Lines And Two Aboveground Poles

Shaver discussed this ordinance as outlined which authorizes the department to enter into a land use permit with WE Energies to install, operate, and maintain underground utility facilities, conduit, cables, and two above ground poles on County owned land along a portion of the Bug Line Trail in the Village of Sussex.

WE Energies will pay a one-time fee of \$1,612 for this permit. This revenue will be accounted for in the Parks & Land Use 2009 general fund budget. Haukohl said, in the past, these revenues went into the Tarmann Fund. Why did this change? Shaver said it was changed during the 2009 budget process because the department, like all departments, is being challenged to find new revenue sources to help manage their budget. The Tarmann Fund balance has a somewhat significant fund balance of about \$5.8 million. This policy change could be revisited if the Tarmann Fund were to get too low.

Haukohl asked what exactly would be cut down around the trail and was concerned too much would be cleared away by WE Energies. Shaver said this is routine maintenance and would not be anything that would ruin the aesthetics of the trail. He noted that WE Energies contacts County staff regarding these types of issues to determine what exactly will be cleared away.

The agreement is for a forty-year term and allows for a 20-year extension. County Board approval would be required beyond that. For clarification purposes, Haukohl will mention on the board floor that the \$1,612 one-time fee is for the initial permit only.

MOTION: Meyer moved, second by Heinrich to approve Ordinance 164-O-003. Motion carried 7-0.

Discuss Recycling Markets and Material Recycling Facility Contract Amendment

Staff distributed information on average per ton market price received for recyclables from January of 2008 through March of 2009. Shaver said since the mid 1990’s the County has received 50% of the revenues. Beginning around October of 2008, the market price began to drop (\$160 to \$40 in a three-month period). Prices did begin to rebound in February of 2009 but how quickly and how high it will rebound is unknown.

Shaver said since about 1995, the contract to operate of the County’s Materials Recycling Facility stated that the County would receive 50% of revenues plus the County was required to pay between \$18 and \$25 per ton to process the materials. However, this changed in April of 2008 when, under a new contract, we received the 50/50 revenue split plus we received \$6.50 per ton and we were no longer required to pay the \$18 to \$25. Shaver said this was an added \$24 per ton for the County, a significant financial gain. He noted, overall, we process about 22,000 tons per year.

Since 1995, contract language requires the County to equally share contractor losses if the marketing of recovered materials results in a net loss for a period of three consecutive months or more. Starting in the fourth quarter of 2008, there has been an unprecedented and rapid decline in recycling commodity prices. The contractor, FCR, had asked to invoke that provision of the contract and discussions with County staff began in October of last year.

Shaver said FCR and the County settled on what truly would be their break-even threshold of about \$49 a ton (total materials). If the value dropped below \$49 per ton, they would start seeing a net loss. A sliding scale for commingled materials was negotiated using monthly average price per ton, change from the base per ton payment, and per ton payment price as factors which Shaver explained in detail. For example, if the value per ton remains above \$101, the County will continue to receive the \$6.50 per ton plus our 50% and we will not be paying the \$18 to \$25 for processing. If the value per ton drops to between \$85 and \$100, the County would agree to walk away from the first \$2.50 from that \$6.50. If it drops to between \$71 and \$85, we would lose an additional \$2 per ton. If it drops to between \$56 and \$70, we would lose the full \$6.50. In the event the price per ton drops to between \$41 to \$55, the County would have to pay \$2 per ton for processing and anything below \$40 would require the County to pay \$4 for processing. For clarification purposes, Shaver said in each of these scenarios, we would not pay the \$18 to \$25 per ton and we would retain our 50% share.

Ordinance 164-O-010: Transfer Of Funds To Capital Project #200407 For Northview Garage Demolition Costs

Cerreta was present to request \$20,000 for the Highway Operations Storage Building Capital Project for unanticipated, increased costs to demo the Northview garage. Cerreta said the low bid of \$20,000 was withdrawn because the vendor was not following the specifications for the removal of debris. Staff then recommended the second low bid of \$27,000. Additional project funds of \$13,000 are also requested for possible contamination clean-up costs that may be discovered when concrete flooring is removed. The total increase requested of \$20,000 increases the total project budget appropriations from \$452,000 to \$472,000 for this capital project. The \$20,000 will be transferred from Capital Project #200107, Northview Renovation/Demolition which has funds remaining of \$52,158 and will close after this proposed transfer. Cerreta believes this is enough money and Bussler was hopeful they will be able to return some money.

MOTION: Meyer moved, second by Tortomasi to approve Ordinance 164-O-010. Motion carried 7-0.

Contract Procurement Process for Architectural and Engineering Services for the Secured Corridor

Cerreta advised the contract was awarded to Fischer-Fischer-Theis, the highest rated proposer, for a total contract cost of \$112,000. The budget amount was \$115,000. A total of ten vendors submitted RFP's for consideration.

MOTION: Meyer moved, second by Tortomasi to approve the contract procurement process for architectural and engineering services for the secured corridor. Motion carried 7-0.

Contract Procurement Process for Real Estate Acquisition Concerning CTH L – Janesville Road, CTH O to CTH Y, City of Muskego

Braun advised the contract was awarded to The Highland Group, the highest rated proposer, for a total contract cost of \$132,200. The budgeted amount was \$175,000. A total of three vendors submitted RFP's for consideration.

MOTION: Heinrich moved, second by Zaborowski to approve the contract procurement process for real estate acquisition concerning CTH L – Janesville Road, CTH O to CTH Y, City of Muskego. Motion carried 7-0.

Ordinance 164-O-008: Endorse The Receipt And Expenditure Of Federal Funds To Provide Library Services To Persons Needing Health Information And Modify The 2009 Federated Library System Budget

Hennen and Fletcher discussed this ordinance as outlined which involves accepting \$8,000 in federal grant funding to hire a consultant to develop and conduct a survey in order to produce a needs assessment of health literacy in the County. Web development services will be purchased to create an easy-to-understand online resource to which local librarians can direct individuals. Grant funds are also planned to be used to design and print marketing items such as posters and bookmarks to promote this online resource to the general public.

The grant period for this project lasts through the end of 2009 and no local dollar match is required. However, the department plans to match the grant funding with approximately 100 hours of staff time (Special Needs Librarian) for this project, estimated at \$4,400 which is already budgeted for and funded with State Library Aid.

Tortomasi was concerned that librarians might give medical advice. Hennen and Fletcher assured the committee this would not occur. Wimmer asked if disclaimers would be visible. Fletcher said they could put this information out there so it is visible. Some committee members felt this was a good idea to avoid potential liability issues.

Meyer asked who would conduct the survey. Fletcher said the Literacy Council and organizations serving these individuals will be contacted to determine specific needs.

Hutton did not think this was something libraries should provide. He felt the Literacy Council and the health care community could figure out solutions to help these individuals. Fletcher said libraries are already giving out health information via reference workshops, etc. Libraries and literacy is a natural match. She did not see this as a burden but another tool to address individuals who have special needs. The website will focus on a level of reading and understanding so those with low literacy skills can understand the information being presented.

Zaborowski asked if the Aging & Disability Resource Center could take on this project and is this really needed in the library. Hennen said this isn't just for seniors but all individuals with low literacy skills.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 164-O-008. Motion carried 5-2. Hutton and Zaborowski voted no.

Ordinance 164-O-009: Endorse The Receipt And Expenditure Of Federal Funds To Provide Adaptive Equipment In Libraries And Modify The 2009 Federated Library System Budget

Hennen and Fletcher discussed this ordinance as outlined which involves accepting \$3,100 in federal grant funding to be used primarily to purchase full-spectrum light lamps for the System's member libraries to assist vision impaired individuals, such as the county's growing elderly population. Member libraries typically use fluorescent lighting which strains eyes while full-contract lighting produces clearer colors and contrast making reading easier.

The grant period for this project lasts through the end of 2009 and no local dollar match is required. However, the department plans to match the grant funding with approximately 50 hours of staff time (Special Needs Librarian) for this project, estimated at \$2,200 which is already budgeted for and funded with State Library Aid.

Tortomasi suggested they look into purchasing energy efficient bulbs.

MOTION: Tortomasi moved, second by Zaborowski to approve Ordinance 164-O-009. Motion carried 7-0.

Update on Cash Handling Procedures and the Countywide Cashiering Capital Project

Dahl advised the cash handling security group has been working on cash handling procedures over a period of months. Suggestions were incorporated into a draft and Dahl is currently working with other departments. The procedures will be tested and will be modified if needed. The final version will come back before this committee.

Sander said they continue to implement each department and they have not added any new departments at this point. Since their last report, they have met with the treasurer, internal audit, and financial staff to identify outstanding issues and prioritize those issues with the vendor. Sander said there are some minor outstanding issues; some issues need to be tested further by the treasurer and some will be addressed in upcoming releases. However, he is confident everything will be addressed in the future. Cummings said all departments should be able to use this program except perhaps CCAP and the courts. The Clerk of Courts has indicated they are willing to work with them on this issue but it will require State cooperation. Cummings said he is very optimistic this will work for the Register of Deeds Office although it hasn't happened yet. He noted they are working very closely with Schubert on these procedures for auditing purposes.

Hutton left the meeting at 10:55 a.m.

Ordinance 164-O-012: Modify The 2009 Child Support Budget To Appropriate Additional Federal Revenues From The American Recovery And Reinvestment Act

Farley explained this ordinance as outlined which involves modifying the 2009 adopted child support budget to increase intergovernmental revenues (federal Child Support IV-D revenue) by \$67,782 and increase personnel costs by \$44,682; operating expenditure appropriations by \$20,100; and interdepartmental charges by \$3,000.

Farley said a couple years ago, through the Deficit Reduction Act, the federal legislature cut the matching funds that were part of an incentive/performance program for child support agencies.

Included in the recent federal stimulus package were the matching funds which were reinstated for a two year period. He said the State has indicated they will be taking back money they offered the County to fund the reductions that resulted from the Deficit Reduction Act. Farley said, however, this should not impact their budget because the stimulus funds will be in lieu of the State funds.

Farley noted that because of the economy, the child support workload has increased dramatically. The \$67,782 will be used for temporary extra help and contract work.

MOTION: Tortomasi moved, second by Wimmer to approve Ordinance 164-O-012. Motion carried 6-0.

Chair's Executive Committee Report of 4-20-09

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Acting Public Works Director Allison Bussler gave an update on already-established projects that will qualify for stimulus dollars.
- Bussler and Shaver announced that a task force has been established to look at efficiencies between the Public Works and Parks & Land Use departments, not necessarily to merge the two departments.
- Approved ordinances 164-O-007 through 164-O-011.
- State Sen. Alberta Darling appeared to discuss issues such as cuts in human services funding and the 911 surcharge.
- Supervisor Wolff's resolution opposing a Regional Transit Authority was tabled until there is a better understanding of this issue and we know what the state is proposing.

Announcements

Tortomasi advised they are meeting today and tomorrow with the consultant on the dispatch operations RFP. The biggest issue right now seems to be how the new CAD system will integrate with the Reports Management System (RMS). Tortomasi said there are some who believe dispatch personnel should also handle the RMS which is not what they are there for.

MOTION: Tortomasi moved, second by Heinrich to adjourn at 11:22 a.m. Motion carried 6-0.

Respectfully submitted,

Approved on: _____

Pamela Meyer
Secretary